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OPEN MEETING ITEM
MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: December 1, 1998

RECEIVED
AZ COOP COMMISSION**Dec 2 11 28 AM 1998****DOCUMENT CONTROL**

RE: IN THE MATTER OF THE FILING BY SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. OF UNBUNDLED AND STANDARD OFFER SERVICE TARIFFS PURSUANT TO A.A.C. R14-2-1606 (DOCKET NO. E-01575A-97-0706)

On February 13, 1998, Sulphur Springs Valley Electric Cooperative, Inc. (Coop) filed its unbundled and standard offer service tariffs pursuant to A.A.C. R14-2-1606. In this filing, the Coop priced electric service elements such as distribution, metering and billing. The Coop also stated that it intends to use its current tariffs as the standard offer tariffs but may revise the standard offer at a later date.

Effective December 26, 1996, the Commission adopted rules governing the parameters of retail electric competition. Pursuant to A.A.C. R14-2-1606(C), each incumbent utility must file Unbundled Service Tariffs to provide the following services to all eligible purchasers on a nondiscriminatory basis: Distribution service; Meter and meter reading service; Billing and collection service; Open access transmission service; Ancillary services; Information services; and Other ancillary services necessary for safe and reliable system operation. Pursuant to A.A.C. R14-2-1606(B), each incumbent utility may also file proposed tariffs to provide standard offer bundled service.

Decision No. 60702, dated February 27, 1998, suspended this filing until June 12, 1998. Decision No. 60908, dated May 22, 1998, suspended this filing until December 9, 1998.

Staff's main concern with the Coop's February 13th tariff filing was that it would result in a disincentive for certain customers to make the competitive choice versus standard offer. This disincentive was primarily the result of higher fixed charges in the unbundled tariffs than are in the Coop's current tariffs. As a result of discussions with Staff, the Coop agreed to eliminate their proposed higher fixed charges for customers who exercise choice by maintaining the level of fixed versus variable charges in its current tariffs.

The Coop provided its revised tariffs to Staff on November 18, 1998. The Coop has not filed these revised tariffs with the Commission because its board of directors have not had an opportunity to approve these tariffs. The Coop's next scheduled board meeting is December 15, 1998.

THE COMMISSION

December 1, 1998

Page 2

OPEN MEETING ITEM

Staff has reviewed the Coop's revised tariffs and recommends these tariffs attached as Exhibit A be approved. Staff further recommends that the Coop be allowed to file any modifications to this tariff that may result from the Coop's board approval process with the Commission for its consideration. Staff further recommends that the Coop's request to use its current tariffs as the standard offer tariffs be approved.



Ray T. Williamson
Acting Director
Utilities Division

RTW:JVW:djg/PAB

ORIGINATOR: John V. Wallace

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 JIM IRVIN
Commissioner - Chairman
3 RENZ D. JENNINGS
Commissioner
4 CARL J. KUNASEK
Commissioner
5

6 IN THE MATTER OF THE FILING BY)
SULPHUR SPRINGS VALLEY)
7 ELECTRIC COOPERATIVE, INC. OF)
UNBUNDLED AND STANDARD OFFER)
8 SERVICE TARIFFS PURSUANT TO)
A.A.C. R14-2-1606)
9

DOCKET NO. E-01575A-97-0706

DECISION NO. _____

ORDER

10 Open Meeting
December 10 and 11, 1998
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. Sulphur Springs Valley Electric Cooperative, Inc. (SSVEC or Coop) is certified to
15 provide electric service as a public service corporation in the State of Arizona.

16 2. On February 13, 1998, the Coop filed its unbundled and standard offer service
17 tariffs pursuant to A.A.C. R14-2-1606. In this filing, the Coop priced electric service elements
18 such as distribution, metering and billing. The Coop also stated that it intends to use its current
19 tariffs as the standard offer tariffs but may revise the standard offer at a later date.

20 3. Effective December 26, 1996, the Commission adopted rules governing the
21 parameters of retail electric competition. Pursuant to A.A.C. R14-2-1606(C), each incumbent
22 utility must file Unbundled Service Tariffs to provide the following services to all eligible
23 purchasers on a nondiscriminatory basis: Distribution service; Meter and meter reading service;
24 Billing and collection service; Open access transmission service; Ancillary services; Information
25 services; and Other ancillary services necessary for safe and reliable system operation. Pursuant
26 to A.A.C. R14-2-1606(B), each incumbent utility may also file proposed tariffs to provide
27 standard offer bundled service.

28 ...

5. Staff's main concern with the Coop's February 13th tariff filing was that it would result in a disincentive for certain customers to make the competitive choice versus standard offer. This disincentive was primarily the result of higher fixed charges in the unbundled tariffs than are in the Coop's current tariffs.

6. As a result of discussions with Staff, the Coop agreed to eliminate their proposed higher fixed charges for customers who exercise choice by maintaining the level of fixed versus variable charges in its current tariffs.

7. The Coop provided its revised tariffs to Staff on November 18, 1998. The Coop has not filed these revised tariffs with the Commission because its board of directors have not had an opportunity to approve these tariffs. The Coop's next scheduled board meeting is December 15, 1998.

8. Staff has reviewed the Coop's revised tariffs and recommends these tariffs attached as Exhibit A be approved. Staff further recommends that the Coop be allowed to file any modifications to this tariff that may result from the Coop's board approval process with the Commission for its consideration.

9. Staff further recommends that the Coop's request to use its current tariffs as the standard offer tariffs be approved.

CONCLUSIONS OF LAW

1. SSVEC is an Arizona public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over SSVEC and over the subject matter of the application.

3. The Commission, having reviewed Staff's Memorandum dated December 1, 1998, and the attached tariff pages contained in Exhibit A, concludes that these tariffs are reasonable and equitable and are therefore in the public interest.

ORDER

THEREFORE, IT IS ORDERED that the tariffs contained in Exhibit A be and hereby are approved subject to a filing by SSVEC that is consistent with Findings of Fact No. 8.

IT IS FURTHER ORDERED that SSVEC's request to use its current tariffs as the standard offer tariffs is approved.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

COMMISSIONER - CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JACK ROSE, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____ 1998.

JACK ROSE
Executive Secretary

DISSENT _____

RTW:JVW:djg/AB

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE R-DA

Effective: For electrical usage beginning on January 1, 1999.

Residential - Direct Access

Availability

Available to residential consumers requiring 50 kVA or less of single phase service for all home use throughout the Cooperative service area where the facilities of the Cooperative are of adequate capacity and are adjacent to premises subject to the rules and regulations of the seller. This schedule is available to customers who may opt to purchase power resources from entities other than SSVEC.

Applicability

To all single phase residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter.

Not applicable for resale, breakdown, or standby of auxiliary service.

Character of Service

Single phase 60 cycles, nominal 120/240 volts, 120/208 volts, 3 wire, and limited to individual motors of 10 HP or less that will not cause excessive voltage fluctuations, supplied through one set of service wires and metered through one meter.

Maximum Residential Rate - (Code R-DA)

Basic System Charge	\$ 2.18	per month
Metering	1.89	per month
Meter Reading*	0.82	per month
Billing	2.61	per month
Distribution Capacity	0.0397	per kWh
Transmission Capacity	0.0003	per kWh

* Metering charge based on non-TOU watt-hour meter. Charge may be higher for more complex metering equipment.

For consumers requiring over 15 kVA of transformer capacity, a minimum charge of \$1.50 per kVA or fraction required will be assessed.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Meter Readings

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day of each month on a cycle basis. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnect in accordance with the Cooperative's collection policy.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule. Service availability charge and/or monthly minimum may be increased to prove economic feasibility for any service requiring new line construction in excess of Cooperative's established free distance.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE GS-DA

Effective: For electrical usage beginning on January 1, 1999.

General Service & Small Power - Direct Access

Single & 3-Phase Service

Availability

Available to all consumers who will be purchasing power resources from an entity other than SSVEC, who require less than 50 kVA transformer capacity and located along the existing electric distribution system of the Cooperative for single and/or 3-phase service for commercial lighting, small power, other commercial or business uses, farm use, water pumps such as individually metered domestic and stock wells, and all public buildings. This rate schedule is an optional schedule for irrigation and commercial water service for all pumps requiring less than 50 kVA of transformer capacity. Single phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations. This rate shall apply to all residential service requiring 3-phase service.

Applicability

This schedule is applicable for commercial use which includes service used by retail or wholesale business, small manufacturing or processing establishments, tourist or trailer camps, motels, stores, restaurants, service stations, professional offices, public buildings, churches, seasonal farm uses such as feed grinders, etc., optional for smaller pumps used for irrigation purposes, domestic and stock wells, sewage pump stations, apartments, where more than one unit is served from an individual meter, and all other uses, including normal residential or home use, under conditions provided in the preceding paragraph. Except in cases of master metered mobile home parks, service under this schedule shall not be resold or shared with others.

Character of Service

The type of service available under this schedule will be normally applied through a single set of service wires.

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/208 Volts, Single Phase, 3 Wire (Network)

120/240 Volts, Three Phase, 4 Wire, *
 240/480 Volts, Three Phase, 4 Wire, *
 120/208 Volts, Three Phase, 4 Wire, Y
 277/480 Volts, Three Phase, 4 Wire, Y

- * Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

Where service is furnished through more than a single set of service wires or where consumer's service entrance switches are at different locations, a separate bill will be rendered for each different meter location.

Net Maximum Rate Per Month or Part Thereof for Each Service

Basic System Charge	\$ 4.53	per month
Metering*	1.89	per month
Meter Reading	2.47	per month
Billing	2.61	per month
Distribution Capacity	0.0308	per kWh
Transmission Capacity	0.0000	per kWh

- * Metering charge based on non-TOU watt-hour meter. Charge may be higher for more complex metering equipment.

Monthly Minimum Charge

The monthly minimum charge for any period that service is established shall apply for a period of not less than four consecutive months where only single phase service is supplied and for not less than six consecutive months (or longer as may be specified in Cooperative's service agreement) where 3-phase service is supplied. The monthly minimum charge may, at option of Cooperative, be determined on a separately metered basis for both single and 3-phase service but shall in no event be less than the highest minimum charge when computed or determined by any of the following methods.

- For single phase service: Where demand metering equipment is not installed, the minimum charge shall be the sum of the above charges for the first 10 kVA of installed transformer capacity plus \$1.50 for each kVA of transformer capacity in excess of 10 kVA.
- For 3-phase service: the sum of the above charges plus \$1.50 per kVA of transformer capacity installed or where demand metering equipment is installed, the minimum charge shall be the ratcheted kW of billing capacity as determined below but not less than \$23.50 nor less than the minimum charge specified in consumer's service application or contract.

- (c) For combined single and 3-phase service: The sum of the minimum charged as determined under (a) and (b) above but not less than \$23.50. To determine the minimum charge, the Cooperative reserves the right to meter the 3-phase service separately from the single phase service. In such event the total minimum charge will be the rate billing for single phase service or its applicable minimum charge (whichever is highest) PLUS the applicable 3-phase minimum charge.
- (d) Special installations: Where installations are of unusual character as to electric usage requirements and/or investments, the monthly minimum charge will be determined by the Cooperative and set forth in the service application or contract with consumer.

Determination of kW Billing Demand

The consumer's demand shall be determined by Cooperative estimate. Whenever customer's consumption exceeds 3,000 kWh per month for two consecutive months or it is expected that the demand will regularly exceed 10 kW, the demand shall be measured by a demand meter, except where service is to a single motor, such as a pump, and where the demand is expected to be stable, the Cooperative shall estimate kW based upon appropriately installed horsepower, or at its option use of demand metering, or periodic test with appropriate metering.

The kW billing demand shall be the highest 15 minutes integrated or equivalent thermal kW demand determined to the nearest kW by means of suitable metering equipment or estimate but not less than 80% of highest kW demand so determined during the preceding 11 months or not less than the minimum billing demand specified in consumer's service application or contract. Where separate meters are installed for single and 3-phase service, the billing capacity shall be the arithmetical sum of the maximum capacities recorded on each meter.

Whenever the power factor at time of maximum capacity is less than 90%, the billing capacity may be determined on the basis of kVA capacity instead of kW capacity.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Meter Reading

All meter readings and billings shall be based on actual meter readings. Meter readings and billings will be made as closely as practical on the same day of each month on a cycle basis. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnect accordance with the Cooperative's collection policy.

Other Provisions

- (1) All service shall be delivered through a single set of service wires at a single service location to be designated by the Cooperative.
- (2) Normally only single phase service is available by the Cooperative and all motors shall be for single phase operation. Service will not be furnished where individual single phase motors in excess of 10 HP are installed except where written permission is granted by the Cooperative.
- (3) The Cooperative furnishes 3-phase service (normally where motors larger than 10 HP are required) only where such service is already available immediately adjacent to service after giving consideration to the investment required and probable use of 3-phase service by the consumer.
- (4) See Cooperative's general rules, terms and conditions for further details pertaining to availability of special 3-phase service for intermittent loads such as X-rays, welders, etc.
- (5) For each service location, the Cooperative reserves the right to use either a single combination meter or separate single and 3-phase meters, in which event the kWh and capacity meter readings will be added arithmetically and single bill under the above rates will be rendered to the consumer.
- (6) The Cooperative reserves the right to meter consumer's requirements in the most practical manner, either primary or secondary voltage and the billing kWh shall be the metered kWh in either case.
- (7) All 3-phase service shall be billed under this schedule or other applicable 3-phase schedules of the Cooperative.
- (8) The Cooperative reserves the right to increase service availability charge, minimum period of service and/or to increase the minimum charge where an unusual investment is required as compared to the estimated or probable revenue to be received.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule. Service availability charge and/or monthly minimum may be increased to prove economic feasibility for any service requiring new line construction in excess of Cooperative's established free distance.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE P-DA

Effective: For electrical usage beginning on January 1, 1999.

Direct Access - General Power Service

Availability

The Direct Access - General Power Service Rate is available to all consumers who may opt to purchase power resources from entities other than SSVEC, located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single or three phase service and who guarantee a monthly billing capacity as specified by the service application or contract of more than 50 kVA. Service under this schedule will be furnished only on a twelve (12) month, nonseasonal basis in accordance with the following stipulations and in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's office, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein.

Applicability

This schedule is applicable for all of the consumers electric service requirements, single and three phase whenever three phase service is supplied by the Cooperative. Where only single phase service is supplied, this schedule is an optional schedule available to consumer upon his written request for periods of not less than twelve (12) consecutive months.

Character of Service

The type of secondary service available under this schedule will, at the Cooperative's option, be normally as follows:

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/240 Volts, Three Phase, 4 Wire, *
240/480 Volts, Three Phase, 4 Wire, *
120/208 Volts, Three Phase, 4 Wire, Y
277/480 Volts, Three Phase, 4 Wire, Y

- Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

All service is to be supplied through a single set of service wires. Any special transformers required for lighting shall be furnished by the consumer. The primary voltage required for service will be determined by the Cooperative taking into consideration consumer's capacity requirements.

Net Maximum Rate Per Month Per Service

The monthly billing shall be the sum of the following charges:

Basic System Charge	\$ 24.47	per month
Metering*	7.24	per month
Meter Reading	2.47	per month
Billing	7.82	per month
Distribution Capacity	4.49	per kW
Distribution Capacity	0.0155	per kWh
Transmission Capacity	0.01	per kW

* Metering charge based on non-TOU demand/watthour meter. Charge may be higher for more complex metering equipment.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be normally determined by measurement by taking the highest 15 minute integrated or equivalent thermal kW capacity and dividing same by the power factor as determined by a ratcheted kVAh meter or by the power factor as may be determined by the Cooperative by means of periodic tests made by suitable metering equipment. The monthly kVA billing capacity may also be determined by means of suitable kVA or equivalent capacity demand meters. All capacities shall be determined to the nearest kVA.

The monthly billing capacity shall be on the kVA capacity as determined above, but in no event shall the billing capacity be less than 50 kVA, nor less than 80% of the highest kVA capacity established during the previous eleven months, nor less than 60% of the installed substation capacity used to supply consumer's requirements, nor shall it be less than the minimum kVA billing capacity specified in consumer's service application or contract with the Cooperative.

Where highly fluctuating or intermittent loads (such as welding machines, electric furnaces, hoists, elevators, X-rays and the like) are in operation by the consumer, the Cooperative reserves the right to determine the billing demand by averaging consumer's total load over a two minute period or by increasing the fifteen minute measured maximum capacity by an amount equal to 50% of the rated kVA capacity determined from the name plate of the fluctuating equipment in operation by the consumer. Where such fluctuating loads require additional or separate transformers or additional system capacity, an additional separate capacity charge will be made based on a special study of the consumer's requirements.

Monthly Minimum Charge

The monthly minimum charge under this schedule shall be the sum of the above service availability, and capacity charges, but not less than the ratcheted kVA of billing capacity nor less than the minimum charge specified in consumer's service application or contract with the Cooperative.

Metering & Billing

For each service location, the Cooperative reserves the right to use either a single combination single and three phase meter or separate single and three phase meters, in which event the maximum demand and kWh readings will be added arithmetically and a single bill under the above rates will be rendered to the consumer.

The above rates are based upon metering at Cooperative's available primary voltage at the consumer's premises. The Cooperative reserves the right to meter consumer's requirements at secondary voltage, in which event the kW and kWh multiplied by a factor ranging from 1.02 through 1.10 to allow for transformation losses depending upon the consumer's transformer impedance data.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnection accordance with the Cooperative's collection policy.

Meter Readings

Meter readings and billings will be made as closely as practical on the same day of each month. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Furnishing of Service Transformer and Associated Equipment

Where individual or unusual substation installations are required to serve the consumer, the Cooperative reserves the right to require the consumer to make, at the consumer's expense, the necessary, complete installation (consisting of transformer, structure, protective devices, etc.) required to provide adequate service to the consumer and in such event the consumer will own, operate and maintain said installation but will benefit by making a savings of \$1.50 per kVA of capacity as provided in the rate above.

Use of Service

Service shall not be resold by the consumer or shared with others.

Contract Provisions

Service will be rendered under this schedule, upon application by the consumer, for an initial contract period of not less than twelve months or longer depending upon the investment required to supply consumer's requirements, revenue to be received from consumer, and other considerations.

For temporary, seasonal, or unusual service or extension, reference is made to the Cooperative's general rules, terms and conditions covering same and in such cases the minimum charge condition, furnishing of substation equipment, connection and disconnection of service, financing of service facilities required, etc., will be covered by special agreement with consumer, and the consumer shall pay for all expenses involved in connection with the furnishing of any temporary service. Service will be rendered under Schedule SP (Seasonal Power).

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULE SP-DA

Effective: For electrical usage beginning on January 1, 1999.

Seasonal Power Service - Direct Access

Availability

The Seasonal Power Service Rate is available to consumers located along existing electric distribution lines of the Cooperative, who use the Cooperative's standard service for single or three phase service and who guarantee a monthly billing capacity as specified by the service application or contract but not less than 50 kVA. Service under this schedule will be furnished on a seasonal basis in accordance with the following stipulations and in accordance with the Cooperative's general rules, terms and conditions, available at the Cooperative's offices, which general rules or subsequent revisions thereof are a part of the schedule as if fully written herein. This schedule is available to consumers who opt to purchase power resources from entities other than SSVEC.

Applicability

This schedule is applicable for all of the consumers electric service requirements requiring 50 kVA or more of transformer capacity on a seasonal or temporary basis, both single and three phase, whenever three phase service is supplied by the Cooperative.

For temporary, seasonal, or unusual service or extension, reference is made to the Cooperative's general rules, terms and conditions covering same and in such cases the minimum charge condition, furnishing of service transformers and associated equipment, connection and disconnection of service, financing of service facilities required, etc., will be covered by special agreement with the consumer, and the consumer shall pay for all expenses involved in connection with the furnishing of any temporary service.

Character of Service

The type of secondary service available under this schedule will, at the Cooperative's option, be normally as follows:

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire

120/240 Volts, Three Phase, 4 Wire, *
 240/480 Volts, Three Phase, 4 Wire, *
 120/208 Volts, Three Phase, 4 Wire, Y
 277/480 Volts, Three Phase, 4 Wire, Y

- Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

All service is to be supplied through a single set of service wires. Any special transformers required for lighting shall be furnished by the consumer. The primary voltage required for service will be determined by the Cooperative taking into consideration consumer's capacity requirements.

Net Rate Per Month Per Service

Basic System Charge	\$ 0.00	per month
Metering*	16.23	per month
Meter Reading	2.47	per month
Billing	31.30	per month
Distribution Capacity	4.41	per kW
Distribution Capacity	0.021	per kWh
Transmission Capacity	0.09	per kW

* Metering charge based on non-TOU demand/watthour meter. Charge may be higher for more complex metering equipment.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be normally determined by measurement by taking the highest 15 minute integrated or equivalent thermal kW capacity and dividing same by the power factor as determined by a ratcheted kVAh meter or by the power factor as may be determined by the Cooperative by means of periodic tests made by suitable metering equipment. The monthly kVA billing capacity may also be determined by means of suitable kVA or equivalent capacity demand meters. All capacities shall be determined to the nearest kVA.

The monthly billing capacity shall be on the kVA capacity as determined above, but in no event shall the billing capacity be less than 50 kVA, nor less than 100% of the highest kVA capacity established during the previous eleven months, nor less than 80% of the installed substation capacity used to supply consumer's requirements, nor shall it be less than the minimum kVA billing capacity specified in consumer's service application or contract with the Cooperative.

Where highly fluctuating or intermittent loads (such as welding machines, electric furnaces, hoists, elevators, X-rays and the like) are in operation by the consumer, the Cooperative reserves the right to determine the billing demand by averaging consumer's total load over a two minute period or by increasing the fifteen minute measured maximum capacity by an amount equal to 50% of the rated kVA capacity determined from the name plate of the fluctuating equipment in operation

by the consumer. Where such fluctuating loads require additional or separate transformers or additional system capacity, an additional separate capacity charge will be made based on a special study of the consumer's requirements.

Monthly Minimum Charge

The monthly minimum charge under this schedule shall be the sum of the above service availability, capacity and energy charges but not less than 100% of the kVA of billing capacity nor less than \$430.00 per month, nor less than the minimum charge specified in consumer's service application or contract with the Cooperative.

Annual Minimum Charge

The annual minimum charge will be no less than six (6) times the monthly minimum charge or, where installations are of unusual character as to electric usage requirements and/or investments, the annual minimum charge will be determined by Cooperative and set forth in the service application or contract with consumer.

Furnishing of Service Transformer and Associated Equipment

Where individual or unusual substation installations are required to serve the consumer, the Cooperative reserves the right to require the consumer to make, at the consumer's expense, the necessary, complete installation (consisting of transformer, structure, protective devices, etc.) required to provide adequate service to the consumer and in such event the consumer will own, operate and maintain said installation but will benefit by making a savings of \$1.50 per kVA of capacity as provided in the rate above.

Use of Service

Service shall not be resold by the consumer or shared with others.

The above rates are based upon metering at Cooperative's available primary voltage at the consumer's premises. The Cooperative reserves the right to meter consumer's requirements at secondary voltage, in which event the kW and kWh for billing purposes shall be the secondary metered kW and kWh multiplied by a factor ranging from 1.02 through 1.10 to allow for transformation losses depending on the consumer's transformer's nameplate impedance data.

Terms of Payment

Billing made under this rate schedule will be due and payable upon receipt and past due ten (10) days from the date the bill is mailed. Service will be subject to disconnection accordance with the Cooperative's collection policy.

Meter Readings

Meter readings and billings will be made as closely as practical on the same day of each month. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Metering & Billing

For each service location, the Cooperative reserves the right to use either a single combination single and three phase meter or separate single and three phase meters, in which event the maximum demand and kWh readings will be added arithmetically and a single bill under the above rates will be rendered to the consumer.

Contract Provisions

Service will be rendered under this schedule, upon application by the consumer, for an initial contract period as determined in each application for service and contract depending upon the investment required to supply consumer's requirements, revenue to be received from consumer and other considerations.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made

available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
P. O. Box 820
Willcox, Arizona 85644

SCHEDULES I-DA,

Effective: For electrical usage beginning on January 1, 1999.

Availability

Available to irrigation, commercial and municipal water systems throughout the Cooperative's service area where the facilities of the Cooperative are of adequate capacity and are adjacent to the premises. This schedule is applicable to consumers who may opt to purchase power resources from an entity other than SSVEC.

Applicability

To irrigation pumps and pumpback systems used only for irrigating land used for agricultural purpose and pumps used for commercial and municipal water systems, single phase motors will be limited to 10 HP and of a type which will not cause excessive voltage fluctuations. The Cooperative may limit the maximum horsepower rating of motors where such may cause interference to other consumers. Normally motors over 10 HP will be 3-phase. Subject to all terms and conditions contained in this rate schedule.

Type of Service

Service will be delivered through a single set of service wires and through one metering point.

120/240 Volts, Single Phase, 3 Wire
240/480 Volts, Single Phase, 3 Wire
120/240 Volts, Three Phase, 4 Wire, *
240/480 Volts, Three Phase, 4 Wire, *
277/480 Volts, Three Phase, 4 Wire, Y

- Not available to consumers served from underground primary systems, except where open Delta transformer connection is used at the option of the Cooperative.

SCHEDULE I-DA

Irrigation Service - Direct Access

Schedule I-DA is the Cooperative's General Irrigation Schedule for all usage beginning with March-April usage (April's cycle billing) and ends with September-October usage (October's cycle billing). The following rate applies to all irrigation accounts during this period unless contracted for one of the following special irrigation services.

Maximum Rate I-DA

Basic System Charge	\$ 0.00	per month
Metering*	9.94	per month
Meter Reading	1.65	per month
Billing	13.41	per month
Distribution Capacity	4.45	per kW
Distribution Capacity	0.259	per kWh
Transmission Capacity	0.05	per kW

* Metering charge based on non-TOU demand/watthour meter. Charge may be higher for more complex metering equipment.

Determination of kVA Billing Capacity

The monthly kVA billing capacity shall be normally determined by measurement by taking the highest 15 minutes integrated or equivalent thermal kW capacity and dividing same by the power factor as determined by a ratcheted kVArh meter or by the power factor as may be determined by Cooperative by means of periodic tests made by suitable metering equipment. The monthly kVA billing capacity may also be determined by means of suitable kVA or equivalent capacity demand meters. All capacities shall be determined to the nearest kVA.

The monthly billing capacity shall be 100% of the kVA capacity as determined above.

KVA of billing capacity shall be established the first month of the contracted period based upon actual meter reading(s). The demand established during the first month shall be applicable for billing purposes for the duration of the irrigation season unless changes are made in the pumping facility which result in a higher kVA demand. The higher kVA demand would be used for the balance of the contract term.

Schedule I-L is an optional rate for Schedule I-S and is available only upon written agreement with individual consumers who are willing to guarantee minimum monthly load factor usage for a five (5) consecutive month pumping season. Multiple pumps may be combined in one contract and usage averaged for billing purposes under this rate schedule.

Minimum Charges

The minimum charge for each twelve (12) month period or less an irrigation service is connected shall be not less than \$300.00 or \$30.00 per kVA of consumer's highest monthly kVA billing demand, whichever is greater. Total billings made as normal service availability charge, demand charges or monthly minimums shall apply to this minimum charge. If service is disconnected prior to utilizing the established minimum, or if the minimum has not been used by the end of twelve (12) consecutive monthly billing cycles, whichever occurs first, the remaining amount due as minimum charges shall be due and payable. The monthly minimum billing shall be \$25.00 for single phase and three phase service.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Power Factor Adjustment

The consumer agrees to maintain unity power factor as nearly as practical.

Meter Readings

All meter readings and billings shall be in units of 10 kWh with the right hand dial of the meter always reading as zero (0). Meter readings and billings will be made as closely as practical on the same day of each month on a cycle basis. Meter readings shall be scheduled for periods of not less than 25 days nor more than 35 days.

Terms of Payment

Billing made under this rate schedule will be due and payable ten (10) days from the date the bill is mailed and delinquent thereafter. Service will be subject to disconnection accordance with the Cooperative's collection policy.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

Sulphur Springs Valley Electric Cooperative, Inc.
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SCHEDULE SL-DA

Effective For electrical usage beginning on January 1, 1999.

Security Lighting - Direct Access

Availability

To all Cooperative consumers located along existing electric distribution systems of the Cooperative who opt to purchase power resources from entities other than SSVEC.

Applicability

Service will be furnished in accordance with the following stipulations and in accordance with the Cooperative's general rules, terms and conditions or subsequent revisions thereof on file at the Cooperative's offices, which rules are a part of this schedule as if fully written herein.

Service

The Cooperative will install and maintain an unmetered shielded 100 Watt High Pressure Sodium or 35 Watt Low Pressure Sodium Area Luminaire, "Security Lamp", or similar fixture controlled by photo electric cell on any suitable existing pole when a three year contract for the initial installation of the security light has been executed and accepted by the Cooperative. All lighting installed will be subject to meeting municipal or county lighting ordinances.

Maximum Rate per Light

35 Watt High pressure Sodium	\$ 6.75
100 Watt High Pressure Sodium	13.55
175 Watt Mercury Vapor	6.15

Restrictions

The Cooperative reserves the right to disapprove the installation of a security light for consumers with an unsatisfactory credit rating or upon leased or rented property or for any other proper reason.

The maximum investment by the Cooperative per security light installation shall be \$200.00. Investments in excess of \$200.00 shall be made in accordance with the Cooperative's line extension policy.

Termination of Contract

A contract may be terminated prior to the completion of the three year contract by the consumer agreeing to pay the original installation cost plus the cost of removal, or payment of balance of the contract, whichever is less.

The Cooperative reserves the right to remove the security light and appurtenances at any time in the event more than two calls per year become necessary due to vandalism or other causes over and above regular maintenance required unless the consumer agrees to pay for the additional calls and cost incurred.

Tax and Assessment Clause

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies, gross receipts, license fees and other impositions of similar character assessed on the basis of gross revenue of the Cooperative and/or the revenue from the electricity or services sold and/or the kilowatt hours of electricity generated or purchased for sale and/or sold hereunder. In case an increase in rates of existing taxes of this character or additional new taxes, licenses or fees based upon generation, distribution, purchase and/or sale of electric power current or energy, shall be imposed upon or required to be paid by the Cooperative, the rates herein may be increased by a surcharge equal to the amount of the cost per kWh, or per consumer, or per demand, capacity, or other applicable unit of charge for such new or additional taxes, licenses or fees.

Billing and Terms of Payment

Billing made under this rate schedule will be due and payable ten (10) days from the date the bill is mailed and past due thereafter. Service will be subject to disconnect in accordance with the Cooperative's collection policy.

The cost of the security lights will be included as a separate charge on the consumer's monthly electric billing. Security light installations may be inoperative during periods within a month, but such periods shall not cause the net rate per month to be adjusted. The monthly minimum charge shall be the rate quoted above, or as may be established by contract.

Rules and Regulations

Service charges, collection policy, standard rules and regulations of the Cooperative, as filed and approved from time to time, shall apply where not inconsistent with this rate schedule.

All security light facilities, installed by the Cooperative, shall be owned, operated and maintained by the Cooperative. All facilities installed on the consumers premises shall be the property of the Cooperative.

Security light installations shall be controlled by light sensitive photo electric cells.

It shall be the consumer's responsibility to notify the Cooperative of any security light maintenance which may be required. Security light installations and maintenance shall be done only during normal working hours.

Security light installations may be made on a temporary basis in accordance with the rules and regulations covering temporary electric service.

Extended Billing Periods

Service connections or disconnections for all rates where only Service Availability and kWh are billed, performed within ten (10) days of the regular meter reading date for the consumer's billing cycle, shall establish extensions of the current billing period. However, when service is made available to the consumer for a period of more than ten (10) days before or after the regular meter reading date, a separate billing period shall be established with respect to all applicable charges. If the consumer changes service location under the same rate schedule, any energy use during an extended final billing period at the former address shall be added to energy use during the first billing period at the new address. For rates which provide for a demand charge, the established extensions of a billing period shall be fifteen (15) days.

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Schedule SC-DA

Effective: Effective January 1, 1999.

Schedule of Service Charges

This schedule sets the amount of various service charges and other miscellaneous charges which have been authorized in the Cooperative's Rules and Regulations.

1. CHARGES FOR ELECTRIC SERVICE CONNECTIONS

- a. NEW SERVICE. A consumer is eligible for one electric service connection with no additional charge when the initial membership fee is paid. A former consumer reapplying for membership shall pay a service charge of \$25.00, plus applicable sales tax, plus a membership fee if the original membership fee has been refunded.
- b. ADDITIONAL SERVICE. A nonrefundable service charge of \$25.00, plus applicable sales tax, shall be imposed for each electric service connection, or for a location change to a new service address.
- c. SERVICE CONNECTION CALLBACKS. A nonrefundable service charge of \$25.00, plus applicable sales tax, shall be imposed for a return trip to connect electric service if, at the consumer's request, it was previously made available at the point of delivery, if an inaccurate service address provided by the consumer results in a service connection callback, or if the consumer postpones or cancels any service order already completed by the Cooperative.

2. SERVICE CALLS DURING REGULAR BUSINESS HOURS. A service charge of \$25.00, plus applicable sales tax, plus mileage at 40 cents per mile will be imposed for a service call performed during regular business hours for one of the following reasons:

- a. Interruptions caused by the consumer's negligence or failure of consumer-owned equipment, even though the Cooperative is unable to perform any work beyond the

point of delivery. Reasonable efforts will be made to advise the consumer about the possibility of such charges before the service call starts.

- b. Reconnection of electric service to any consumer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of consumer loads on the Cooperative's system, or failure to establish credit and/or sign an agreement for service.
3. **METER TEST.** A service charge of \$25.00, plus applicable sales tax, shall be imposed for meter testing performed at the written request of the consumer. However, if the Cooperative's test shows that the meter is inaccurate by more than 3%, the service charge will be waived or refunded to the consumer and energy charges will be adjusted accordingly for the three (3) immediately previous billing periods only. No service charges will be imposed for any meter test if the consumer's request is made within six (6) months of the next regularly scheduled test date, Section 3.21 Meter Testing Request by the consumer also.
4. **SERVICE CALLS AFTER REGULAR BUSINESS HOURS.** A service charge of \$45.00, plus applicable sales tax, plus mileage at 40 cents per mile will be imposed for a service call after regular business hours for one of the following reasons:
 - a. Interruptions caused by the consumer's negligence or failure of consumer-owned equipment, even though the Cooperative is unable to perform any work beyond the point of delivery. The consumer shall be advised about the possibility of such charges before the service call starts.
 - b. Reconnection of electric service to any consumer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Cooperative, unsafe conditions, threats to Cooperative personnel or property, failure to permit safe access, detrimental effects of consumer loads on the Cooperative's system, or failure to establish credit and/or sign an agreement for service. Such work will be performed only when requested and agreed to by the consumer.
 - c. Connection of electric service at the special request of the consumer on short notice of less than one regular work day.
5. **WORTHLESS (NSF) CHECKS.** A service charge of \$15.00 per NSF check plus a late payment charge (if applicable) of 1.5 percent per month on the unpaid, delinquent balance plus any applicable sales tax, shall be imposed for each collection action taken by the Cooperative other than court proceedings.

6. FIELD COLLECTION CALL. In the case of a delinquent account only, the consumer may pay the total amount due to the terminating employee, including a charge of \$25.00, plus applicable sales tax, for the field collection call. If the consumer does not pay the total amount due, service shall be disconnected.
7. METER REREADS. A service charge of \$20.00 shall be charged for rereads, provided that the original reading was not in error.
8. LATE PAYMENT CHARGE. A late payment charge of 1.5 percent per month shall be charged on all outstanding balances which remain unpaid as of each new monthly billing date, with the exception of amounts owed on approved Deferred Payment Programs and HELP (Home Electric Living Plan) Programs.
9. TEMPORARY TEST PROVISION. Large power, water pumping, irrigation, and general service customers with satisfactory credit records may request temporary connection of a service for the purpose of testing a pump or other equipment. A one-time \$60.00 fee will be assessed along with all metered energy (kWh). Demand charges will be waived and no annual minimum nor contract will be required. Maximum connection time for the service will be seven (7) calendar days.
10. CUSTOMER INFORMATION CHARGE. Upon written request of any SSVEC consumer, SSVEC will provide a one-year billing history of the consumer's capacity (as available) and energy purchases. The charge for this service shall be \$25.00 per account.

Billing under this schedule will be increased by an amount equal to the sum of all Federal, State, County, Municipal and other governmental levies.